

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of)

HAWAIIAN ELECTRIC COMPANY, INC.)
HAWAII ELECTRIC LIGHT COMPANY, INC.)
MAUI ELECTRIC COMPANY, LIMITED)

DOCKET NO. 2008-0303

For Approval of the Advanced Metering)
Infrastructure (AMI) Project and Request)
To Commit Capital Funds, to Defer and)
Amortize Software Development Costs,)
To Begin Installation of Meters and)
Implement Time-of-Use Rates, for)
Approval of Accounting and Ratemaking)
Treatment, and Other Matters)

PUBLIC UTILITIES
COMMISSION

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FILED

MOTION FOR INTERVENTION OF
HAWAII SOLAR ENERGY ASSOCIATION

AND

CERTIFICATE OF SERVICE

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MOTION TO INTERVENE AND BECOME A PARTY

INTRODUCTION

Pursuant to Hawaii Administrative Rules (HAR) Section 6-61-55, this "Motion To Intervene and Become A Party" before the Public Utilities Commission (PUC) of the State of Hawaii is respectfully submitted by the Hawaii Solar Energy Association (hereafter 'HSEA' or 'the Applicant'), in the matter of the Hawaiian Electric Company, Inc.'s, Maui Electric Company, Limited's and Hawaii Electric Light Company, Inc.'s (Hereafter "the HECO Companies") request for approval of for their advanced metering

infrastructure (AMI) project and request to commit capital funds, to defer and amortize software development costs, to begin installation of meters and implement time-of-use rates, for approval of accounting and ratemaking treatment, and other matters (Docket No. 2008-0303).

HSEA is a non-profit professional trade association (an organization) incorporated in the State of Hawaii in 1977 and is granted exemption from federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986. HSEA's organizational purposes are to promote the utilization and commercialization of renewable energy resources, including solar water heating and solar electricity (PV) in the State of Hawaii, to advance consumer education and understanding of solar energy technologies, and to develop sound trade and technical practices among its member companies. HSEA has more than 40 member companies, 34 of which are Hawaii based, owned and operated, making it the primary organizational representative of the interests of Hawaii's indigenous solar industry.

COMPLIANCE WITH APPLICABLE RULES

Applicant represents and asserts that it meets the requirements for intervention, consistent with the Rules of Practice and Procedure before the Public Utilities Commission (the "PUC Rules"), as contained in Title 6, Chapter 61, Subchapter 4, of the Hawaii Administrative Rules ("HAR"), as follows:

(1) The Nature of the Applicant's Statutory or Other Right to Participate in the Hearing

Hawaii Revised Statutes (HRS) Section 269-13 provides the statutory basis for HSEA's participation in the hearing. HAR Section 6-61-55 provides the regulatory basis for HSEA's participation in the hearing. HSEA has complied with the provisions stated in HAR Section 6-61-55. Several additional rights to participate in the hearing exist.

HSEA is or has been a participant in several recent related dockets including Net Metering 2006-0084, Feed-In Tariff 2008-0273, and Decoupling 2008-0274.

Additionally, HSEA was a participant in HECO and MECO's Integrated Resources Plan (IRP, Advisory Group member) planning processes. HSEA has participated in the Energy Efficiency Policy Task Force (member) created by the Legislature of the State of Hawaii, the Hawaii Energy Policy Forum coordinated by the University of Hawaii (member and Chair of Renewable Energy Sub-Group), and the Hawaii Clean Energy Initiative (member).

HSEA's articles of incorporation and by-laws support its right to participate in the hearing. HSEA's board of directors has authorized HSEA's participation in the hearing and has appointed Mark Duda or another duly appointed representative to represent HSEA before the PUC in this matter (Docket No. 2008-0303).

(2) The Nature and Extent of the Applicant's Property, Financial, and Other Interest in the Pending Matter

HSEA member companies design and build the majority of solar photovoltaic (PV) systems, both residential and commercial, in the State. These activities cover systems

installed directly for end-users; systems installed for third party financiers/owners/operators of such systems that produce power that is purchased by the HECO Companies; systems installed under subcontracting relationships for solar integrators based outside the state; and operations and maintenance contracting on systems installed by non-Hawaii based integrators. The pending order's intent to revise and/or supplant rules governing the financial returns to investments in residential and commercial PV systems envisioned in the pending order will have an immediate, substantial and direct impact on the financial and economic interests of HSEA's member companies. Examples of possible changes emerging from the pending order that could affect in the financial performance of investments in PV include but are not limited to:

- Variations in the return on investment in solar systems based on the rate differentials and time categories embodied in the time-of use rate structure that will potentially be enacted.
- A possible decline in ROI for solar investments in the state if rates for energy consumed/delivered during the day are below those for energy consumed/delivered in the evening and/or nighttime.

Needless to say, changes in the attractiveness of investments in renewable energy that will be engendered by the pending order will have a significant impact on the financial interests of HSEA's member companies. By impacting the cost of electricity consumed and/or produced, the rules made in this docket will also have a substantial impact the cost of operating a home or business in the state of Hawaii, and thereby significantly affect the

financial interest of HSEA's clients, who have come to rely on its member companies for advice pertaining to energy issues.

(3) The Effect of the Pending Order as to the Applicant's Interest

The pending order's impact on HSEA's member companies' property, financial and economic interests will be direct and substantial as they go to the heart of the indigenous solar industry's business model. This model is centered on delivering distributed, grid-tied, solar power generating systems that reduce operating costs for Hawaii's homes and businesses and supply solar power, to the Hawaiian Electric Companies, that is currently valued at retail rates under net energy metering or is purchased by the Hawaiian Electric Companies under power purchase agreements. The ability to deliver substantial savings on operating costs and obtain value for excess solar energy supplied to the Hawaiian Electric Companies is central to HSEA member companies' interests and may be substantially affected by the pending order.

(4) Other Means Available Whereby the Applicant's Interest May Be Protected

HSEA and its member companies have no means other than intervention in this proceeding for protecting their property, financial and economic interest with respect to the subject matter of this proceeding. There is no other forum or context in which the subject matter of this proceeding is pending.

(5) The Extent to Which the Applicant's Interest Will Not Be Represented by Existing Parties

The named parties are HECO, HELCO, MECO and the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy. None of the named parties has the same interests as Applicant or may fairly represent Applicant because none of the named parties have their livelihoods tied exclusively to the sale and installation of solar photovoltaic generating equipment, the design and construction of systems comprised of such equipment, or the economic returns from the production of power by such systems (including the payment by the Hawaiian Electric Companies for excess power produced by such systems), as do the members of HSEA. Additionally, three of the named parties – HECO, MECO, and HELCO have indicated their intention to enter the PV business in some yet to be determined capacity that appears to include the possibility of competition for customers, host sites, and circuit capacity via the ‘PV Host’ program discussed in the Energy Agreement among the State of Hawaii, Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, and the Hawaiian Electric Companies. The solar industry is the only sector of the renewable energy industry where such direct competition between the utility is envisioned in the Agreement. As such, HSEA perceives that named parties to the pending order have interests that, under reasonable assumptions, should be expected to conflict with those of HSEA member companies.

(6) The Extent to Which the Applicant’s Participation Can Assist in the Development of a Sound Record

At present, HSEA member companies design and build most residential and small commercial systems, and majority of large commercial systems in the State. In this role, HSEA member companies are in direct, daily contact with the consumers and developers

of the majority of solar power produced in the State (at present there is only one utility scale project in the State).

HSEA member companies therefore have the expertise, knowledge and experience to assist the Commission in the development of a sound record, by providing facts, fact-based opinions and fact-based conclusions regarding the appropriate form that time-of-use rates should take in order to avoid disrupting the successes in renewable energy claimed to date by the industry. Additionally, HSEA brings the experience of intervening in numerous energy related dockets over its three decade history, and is committed to using the accumulated expertise, knowledge, and experience of its members to assist the Commission in the development of a sound record in this proceeding.

(7) The Extent to Which the Applicant's Participation Will Broaden the Issues or Delay the Proceeding

HSEA's participation will not broaden the issues or delay the proceeding.

(8) The Extent to Which the Applicant's Interest in the Proceeding Differs from That of the General Public

Applicant's interest in this proceeding differ substantial from those of the general public in that HSEA member companies have substantial expertise in issues relevant to the pending order that does not reside with the general public. Similarly, HSEA member companies, via the concentration of their economic interests in areas influenced by a potential feed-in tariff are substantially more exposed to the results of the pending order than the general public.

(9) Whether the Applicant's Position Is in Support of or in Opposition to the Relief Sought

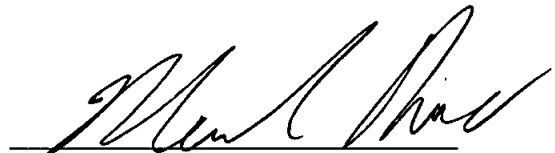
Applicant's position is provisionally in support of implementing time-of-use rates and advanced metering infrastructure in the Hawaiian Electric Companies' service territories. Applicant notes, however, that there are a range of possible implementation methods and schemes for the changes and that it would be possible to implement changes that would harm the interests of the HSEA's member companies and/or their clients.

* * * *

CONCLUSION

Based on the foregoing, Applicant respectfully requests that the Public Utilities Commission grant its motion to intervene in Docket No. 2008-0303.

DATED: Honolulu, Hawaii, February 2, 2009

A handwritten signature in black ink, appearing to read 'Mark Duda', is written over a horizontal line.

Mark Duda
President
Hawaii Solar Energy Association

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Motion to Intervene was duly served on each of the following parties via hand delivery or United States Mail, postage prepaid, as set forth below:

CATHERINE P. AWAKUNI (Via hand-delivery)
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DIVISION OF CONSUMER ADVOCACY
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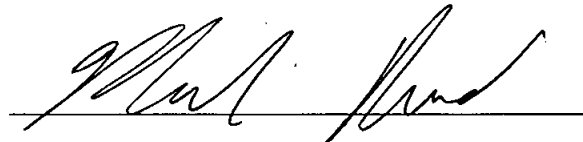
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DATED: Honolulu, Hawaii, February 2, 2009.

A handwritten signature in black ink, appearing to read "Mark Duda", is written over a horizontal line.

Mark Duda, President

Hawaii Solar Energy Association